

**EXECUTION COPY**

**ASSET PURCHASE AGREEMENT**

**by and between**

**Midwest Bible Radio, LLC  
("Seller")**

**and**

**Community Broadcasting, Inc.  
("Buyer")**

**Dated as of July 18, 2007**

## **ASSET PURCHASE AGREEMENT**

This ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of July 18, 2007, by and between MIDWEST BIBLE RADIO, LLC, an Iowa limited liability company ("Seller"), and COMMUNITY BROADCASTING, INC., a Delaware corporation ("Buyer").

### **RECITALS**

A. Seller is the licensee of radio broadcast stations KTFC(FM), Sioux City, Iowa (FCC Facility ID No. 17199), and KTFG(FM), Sioux Rapids, Iowa (FCC Facility ID No. 17200) (the "Stations"). Seller operates the Stations pursuant to certain licenses, franchises, authorizations and approvals issued by the Federal Communications Commission ("FCC").

B. Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase and acquire from Seller substantially all of Seller's assets used and useful in the operations of the Stations, all under the terms and conditions described herein.

C. Prior to the Closing, Buyer will broker time on the Stations pursuant to a separate Time Brokerage Agreement that Seller and Buyer are executing contemporaneously with this Agreement (the "TBA").

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations, warranties and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### **ARTICLE 1**

#### **PURCHASE AND SALE OF PROPERTIES AND ASSETS**

1.1 Assets. Seller agrees to sell and Buyer agrees to purchase all properties and assets, real, personal and mixed, tangible and intangible (except for the Excluded Assets, defined in Section 1.2, below), that are owned by Seller and used or held for use by the Stations, and any property and assets (except for the Excluded Assets) that are acquired by Seller between the date hereof and the Closing Date and are used or useful in the operations of the Stations (collectively, the "Assets"). The Assets shall include the following, except to the extent that any are Excluded Assets:

(a) Tangible Personal Property. All equipment, transmitters, towers, antennas, cables, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, fixtures, office materials and supplies, tools, spare parts, and other tangible personal property owned by Seller on the date hereof that is specifically used or held for use by Seller in the operation of the Stations, as described on attached Schedule 1.1(a), together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing Date (collectively, the "Tangible Personal Property").

(b) Real Estate. All real estate, including, without limitation, land, easements, air rights, rights of way, buildings, towers, guy wires, anchors, structures, fixtures and improvements owned by Seller and used for the transmitter and tower sites for the Stations, as described on Schedule 1.1(b), together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing Date (collectively, the “Real Property”).

(c) Licenses and Authorizations. All rights in and to the Authorizations (as defined in Section 2.7, below) issued to Seller, which are listed and described on Schedule 1.1(c), including without limitation, all amendments and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto, and all approvals, licenses, orders, registrations, and variances obtained from any governmental entity.

(d) Lease Agreements. All rights in and to the lease agreements by which Seller leases space on the Stations’ towers to tenants, as described on Schedule 1.1(d), together with any renewals, extensions or modifications thereof and additions thereto entered into in the ordinary course of business of the Stations between the date of this Agreement and the Closing Date (collectively, the “Lease Agreements”).

(e) Intangible Property. All call letters, software licenses, domain names, websites and other intangible rights, owned or licensed and used or held for use by Seller in the operation of the Stations as of the date of this Agreement, including, without limitation, those described on Schedule 1.1(e), together with those acquired by Seller in the ordinary course of business of the Stations between the date of this Agreement and the Closing Date (collectively, the “Intangible Property”).

(f) Files and Records. All files and other records of Seller relating to the Stations and the Assets (other than duplicate copies of such files, hereinafter “Duplicate Records”) including, without limitation, all books, files, correspondence, studies, reports, schematics, blueprints, engineering data, reports, specifications, statistics, records required by any federal, state or local government entity, the full and complete local public inspection files for the Stations, statements of account pertaining to the Stations filed by or on behalf of Seller with the U.S. Copyright Office, and all other business and technical information pertaining to the Stations regardless of the media on which stored.

(g) Prepaid Items. All prepaid expenses and prepaid *ad valorem* taxes (which shall be prorated, if applicable, as provided in Section 1.5).

1.2 Excluded Assets. The following assets of Seller, to the extent in existence on the Closing Date (collectively, the “Excluded Assets”), shall be retained by Seller:

(a) Benefit Plans and Assets. Pension, 401(k), profit sharing and savings plans and trusts and any other “employee benefit plan”, if any, within the meaning of Section 3(3)

of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and any assets thereof.

(b) Corporate and Other Records. The corporate records of Seller, and the Duplicate Records as defined in Section 1.1(f) above.

(c) Cash and Investments. All of Seller’s cash on hand or in bank accounts and any other cash equivalents including, without limitation, certificates of deposit, commercial paper, treasury bills, or money market accounts.

(d) Contracts. Any written or oral contract, agreement, lease, guaranty, surety arrangement or other commitment related to the operation of the Stations, other than the Lease Agreements.

(e) Accounts Receivable. All receivables of the Stations accrued through the Effective Time.

(f) Other Excluded Property. Any other property described in Schedule 1.2(f) that Seller intends to retain and not sell or assign to Buyer.

### 1.3 Liabilities

(a) Security Interests. The Assets shall be sold and conveyed to Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, options, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, the “Security Interests”) except for liens for Taxes (as defined in Section 2.6), which are not yet due and payable, accruing before the Effective Time (“Permitted Encumbrances”).

(b) Assumed Liabilities. Except as otherwise provided herein and subject to the terms and conditions of this Agreement, simultaneously with the sale, transfer, conveyance and assignment to Buyer of the Assets, Buyer shall assume, and hereby agrees to perform and discharge when due all liabilities and obligations arising or to be performed after the Closing Date under the Lease Agreements (the “Assumed Liabilities”).

(c) Excluded Liabilities. Other than the Assumed Liabilities, Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of Seller (the “Excluded Assets”), specifically including, without limitation:

(i) any obligation of Seller arising out of or relating to any pension, 401(k), employee benefit, retirement or profit sharing plan or trust, or any liability for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”);

(ii) any obligation to continue to offer employment to any employee of Seller;

(iii) any compensation or benefits or any severance pay or similar obligations to any employee or independent contractor of Seller and any related payroll tax or other liability;

(iv) any liability or obligation of Seller arising out of or relating to any litigation, proceeding or claim by any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization, or governmental entity (or any department, agency, or political subdivision thereof) ("Person") relating to Seller, the Stations or the Assets at or before the Effective Time, whether such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date;

(v) any financial debt or obligation due to the FCC in connection with the Stations by any and all entities with taxpayer identification numbers associated with Seller or the Stations, existing at or before the Closing Date ("FCC Debt");

(vi) any and all other liabilities, obligations, debts or commitments of Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown, or any claims asserted against Seller, any employee of Seller, the Stations or any of the Assets or other items owned by Seller at the Effective Time relating to any event (whether act or omission) at or before the Effective Time, including, without limitation, Seller's obligation to pay Taxes; or

(vii) any liability or obligation of Seller arising out of any contract or lease not expressly assigned by Seller to Buyer or assumed by Buyer.

(d) Retained Obligations of Seller. Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all obligations other than the Assumed Liabilities, as they become due, without any charge or cost to Buyer.

#### 1.4 Purchase Price, Payment, and Allocation.

(a) Purchase Price. The aggregate purchase price to be paid for the Assets will be Six Hundred Fifty Thousand Dollars (\$650,000.00) as adjusted pursuant to the provisions of Section 1.5 below (the "Purchase Price").

(b) Deposit. Buyer has previously paid to Seller the sum of Five Thousand Dollars (\$5,000.00) that shall be considered as an earnest money deposit hereunder (the "Deposit").

(c) Method of Payment. At Closing, the Purchase Price, minus the Deposit amount, shall be paid by the Buyer by wire transfer of funds pursuant to wire instructions of the Seller, which wire instructions shall be delivered to the Buyer at least two business days before the Closing.

(d) Allocation of Purchase Price. Buyer and Seller agree that the Purchase Price shall be allocated among the Assets in the manner set forth on Schedule 1.4(d). The asset allocation agreed to by the parties pursuant to this Section 1.4(d) shall be referred to as the “Allocation.” Seller and Buyer agree (i) to jointly complete Internal Revenue Service (“IRS”) Form 8594 in the manner required by Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”), the regulations thereunder and the Allocation, and to separately file such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs and (ii) that neither Seller nor Buyer will take a position on any tax return inconsistent with the Allocation without the written consent of the other party; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any taxing authority based upon or arising out of the Allocation, and neither Buyer nor Seller shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such Allocation. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 1.4(d) shall survive the Closing.

### 1.5 Adjustments.

(a) General Rule. Unless otherwise allocated under the terms and conditions of the TBA, operation of the Stations and the income and normal operating expenses attributable thereto through 11:59:59 p.m. (Central Time) at the end of the Closing Date (the “Effective Time”) shall be for the account of Seller and thereafter for the account of Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly. Expenses for goods or services received both before and after the Effective Time, and rents and similar prepaid and deferred items shall be prorated between Seller and Buyer as of the Effective Time.

(b) Adjustment Schedule. Buyer will prepare and deliver to Seller within ninety (90) days after the Closing Date a report computing the details of the determination, in accordance with the provisions of Section 1.5(a), of the final prorations as compared to the estimated prorations made at Closing. Within thirty (30) days after receiving the report, Seller will provide Buyer with any objections or omissions to the computations. If Seller has no objections, the party obligated to make payment under the report will do so within five business days after the expiration of the 30-day period. Any disagreement which cannot be resolved by the parties within thirty (30) days will be resolved by Seller and Buyer each selecting an independent, disinterested certified public accountant knowledgeable in the broadcast industry to resolve the dispute. If these two accountants cannot resolve the dispute within thirty (30) days after submission to them, then the two accountants shall select a third independent, disinterested certified public accountant

knowledgeable in the broadcast industry and the agreement of two of the three accountants shall be binding on the parties and subject to judicial enforcement. Each party shall bear the costs of its own accountant and one-half of the cost of the third accountant.

1.6 Closing. The consummation of the transactions provided for in this Agreement (the “Closing”) shall take place, to the extent practicable, through an exchange of documents by facsimile and overnight courier, on a date designated by Buyer, provided that such date is no later than ten (10) business days after the FCC Order, subject in all events to the satisfaction or waiver of the conditions specified in Articles 7 and 8 below. “FCC Order” means the order of the FCC consenting to the assignment of all Authorizations to Buyer without any conditions that would restrict, limit, increase the cost or burden of or otherwise adversely affect or impair, in any material respect, the right of Seller or Buyer to the ownership, use, control, enjoyment or operation of the Stations or the proceeds therefrom; *provided, however*, that any condition which requires that the Stations be operated in accordance with conditions substantially similar to and not more adverse than those contained in the present Authorizations issued for operation of the Stations, shall not be applicable. At Buyer’s option, the date for consummation may be delayed to a date no later than five (5) business days after the FCC Order becomes Final. “Final” means an order (i) which is effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside *sua sponte*. The date on which the Closing is to occur is referred to herein as the “Closing Date.”

## ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this Article 2 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 2). Nothing in a schedule referred to herein shall be deemed adequate to disclose an exception to a representation or warranty hereunder, unless the schedule identifies the exception with particularity and describes the relevant facts in detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The term “Knowledge,” when applied to Seller herein, means actual knowledge of the members of the Managing Board of Seller.

2.1 Company Status. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Iowa. Seller has the requisite power

to carry on its operations as they are now being conducted, to own and operate the Stations, and to enter into and complete the transactions contemplated by this Agreement.

2.2 No Options. No Person other than Buyer has an interest in, or option to acquire, any of the Assets or any property used in the operation of the Stations.

2.3 Authority. All actions and proceedings necessary to be taken by or on the part of Seller in connection with the performance, execution and delivery of this Agreement have been duly and validly taken and this Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with and subject to the terms contained herein.

2.4 No Defaults. Neither the execution, delivery and performance by Seller of this Agreement nor the consummation by Seller of the transactions contemplated hereby are events that, of themselves or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Certificate of Formation or Operating Agreement (the "Governing Documents") of Seller; (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of Seller under any agreement or other instrument to which Seller is a party or by which it is bound, or result in the creation of any security interest in the Assets; (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Seller, the Stations or the Assets; or (d) result in the creation or imposition of any lien, charge or encumbrance against the Stations or the Assets.

2.5 Lease Agreements. Seller has listed and described all of the Lease Agreements on Schedule 1.1(d), and provided to Buyer complete and correct copies of all such Lease Agreements and all amendments, modifications, extensions and renewals thereof. No change or breach in any material term or provision of any Lease Agreement will occur as a result of the acquisition of the Assets by Buyer or the assignment by Seller of such Lease Agreement to Buyer. Neither Seller or any tenant under a Lease Agreement is in violation or breach of any of the material terms, conditions or provisions of any of the Lease Agreements.

2.6 Taxes. All federal, state and local returns, reports, estimates and other statements ("Returns") required to have been filed for any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, "Taxes") have been duly and timely filed by Seller and each such Return correctly reflects the amount of Taxes required to be reported and/or paid. Seller has paid all Taxes due and payable that it is required to pay. No consent extending the applicable statute of limitations has been filed by or for Seller with respect to any of such Taxes for any years.

2.7 Licenses. Seller is the holder of all licenses, permits, franchises, authorizations and approvals, including associated broadcast auxiliary licenses and authorizations of any



governmental or quasi-governmental authority required for the operation of the Stations (collectively, the “Authorizations”) and all of such licenses, permits and authorizations are listed on Schedule 1.1(c). Except for pending applications for authorizations disclosed on Schedule 1.1(c), the Authorizations constitute all of the licenses and authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the current rules, regulations and policies of the FCC for the operation of the Stations. The Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability) and there is not now issued, outstanding, pending or, to Seller’s Knowledge, threatened by or before the FCC, any complaint, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or FCC Debt against Seller or the Stations. The Stations are and will be on the Closing Date operating in compliance with the Authorizations, the Communications Act and the current rules, regulations and policies of the FCC in all material respects and the ordinances, rules, regulations and policies of the State of Iowa.

## 2.8 Additional Regulatory Matters.

(a) Reports. All reports, filings and payments required to be filed with or paid to the FCC and any other governmental entity by Seller in connection with the Stations or the Assets have been timely filed. All such reports and filings are accurate and complete and from the date hereof to the Effective Time all reports required to be filed will be accurate, complete and filed on a timely basis. Seller maintains appropriate public files for the Stations as required by FCC rules. Seller is operating only those facilities for which appropriate Authorizations have been obtained from the FCC and are in full force and effect, and Seller is in compliance with the terms and conditions of such Authorizations in all material respects.

(b) No Notices/Renewal. Seller has not received notice or other communication in connection with the Stations or the Assets indicating that it is not in compliance with all requirements of (i) the FCC and the Communications Act, or (ii) applicable state and local statutes, regulations and ordinances. Seller has no Knowledge and has received no notice or communication, formal or informal, indicating that the FCC, or any other governmental entity is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

(c) RF Radiation. The operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in violation of FCC Rule 1.1310 or FCC OST/OET Bulletin Number 65.

(d) FCC Debts. There are no outstanding FCC Debts.

(e) FAA Compliance. Seller and the Assets are in compliance with the rules and regulations of the Federal Aviation Administration (the “FAA”) applicable to the Stations in all

material respects. All towers used by the Stations are in compliance with all painting, lighting and tower registration requirements of the FAA, the FCC and any other governmental authority in all material respects. Other than as set forth in Schedule 1.1(c), there are no pending applications with the FAA with respect to the towers used by the Stations. Schedule 1.1(c) includes a list of the antenna structure registration numbers, if applicable, for each of the towers used in connection with the Stations.

2.9 Real Property. Schedule 1.1(b) contains a complete and accurate list, as of the date thereof, of Seller's Real Property used in the operation of the Stations. All of the Real Property, and the buildings located on the Real Property, are in good condition and repair, and are adequate for their intended use. There are no condemnation or eminent domain proceedings pending or, to Seller's Knowledge, threatened against the Real Property. Seller has fee simple title to the Real Property, free and clear of all liens, claims, charges, options, rights of tenants or other encumbrances of any nature whatsoever except for current real estate taxes not yet due and payable. Seller has not received any notice alleging that any of the Real Property fails to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable governmental jurisdictions.

2.10 Assets/Tangible Personal Property.

(a) All Assets. The Assets constitute all of the assets used, useful, or necessary to conduct the operation of the Stations as presently conducted and as presently proposed to be conducted.

(b) Tangible Personal Property. The Tangible Personal Property listed in Schedule 1.1(a) is a true and complete list as of the date hereof of all items of tangible personal property of every kind or description owned by Seller and used or useful in the operation of the Stations included in the Assets, except office materials and supplies (which office supplies or any replacements thereof shall be part of the Assets) and any Excluded Assets.

(c) Good Title, Good Operating Condition. Seller has good, valid and marketable title to or the unrestricted right to use all of the Assets owned by it, free and clear of all Security Interests of every kind or character (other than Permitted Encumbrances). Seller is the owner, lessee or licensee of all of the Tangible Personal Property listed on the Schedules to this Agreement. Except as disclosed in Schedule 1.1(a), all Tangible Personal Property is of a type, kind and/or design in accordance with standard industry practice, is in good operating condition and repair, reasonable wear and tear excepted, and has been maintained and is currently operating in accordance with good engineering practice, industry standards and any standards or guidelines imposed by the FCC.

2.11 Environmental Matters. Seller is in compliance with all federal, state and local laws and regulations in all material respects relating to pollution and the discharge of materials into the environment (collectively, the "Environmental Laws"). Seller holds all the permits, licenses

and approvals of governmental authorities necessary for occupancy of the Real Property or operation of the Stations under applicable Environmental Laws (the “Environmental Permits”). Seller is in compliance with the Environmental Permits. Except as disclosed in Schedule 1.1(a), there are no underground or aboveground storage tanks, polychlorinated biphenyls (PCBs), or asbestos or asbestos-containing materials located on any of the Real Property. No hazardous or toxic substances have been released, discharged or disposed of on any of the Real Property. There are no quantities or concentrations of hazardous or toxic substances present at, on or under such Real Property that would pose an unacceptable risk to human health or the environment under any Environmental Law. No litigation or proceeding relating to Environmental Laws, Environmental Permits or any release, discharge or disposal of hazardous or toxic substances is pending or, to Seller’s Knowledge threatened against the Stations or Seller. Seller has provided to Buyer true and complete copies of all environmental reports, studies or analyses in the possession of Seller relating to the Real Property or the operation of the Stations concerning hazardous or toxic substances or compliance with applicable Environmental Laws or Environmental Permits.

2.12 Compliance with Law and Regulations. The Stations, the Assets, and Seller are in compliance with all requirements of federal, state and local law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them in all material respects, the operations of the Stations, the use of Seller’s properties and assets (including the Assets) and the Real Property. Without limiting the foregoing, Seller has paid all monies and FCC Debts and obtained all FCC licenses, permits, certificates and authorizations and all other material licenses, permits, certificates and authorizations needed or required for its operations, and the use of the Real Property. Seller has properly and timely filed all reports and other documents required to be filed with any federal, state or local government or subdivision or agency thereof in connection with the Stations and the Assets. Seller has received no notice from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any applicable law, ordinance, regulation, building or zoning law or requirement of any public authority or body.

2.13 Litigation. There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending or, to Seller’s Knowledge, threatened against Seller, nor, to Seller’s Knowledge, is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation. Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Stations or the Assets of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality which would have an adverse effect on the condition of the Stations or any of the Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby.

2.14 Intangible Property. Seller has not received notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 1.1(e), and, to Seller’s knowledge, there is no basis for any such claim of conflict. Seller has not received notice of

any claim of infringement of any third-party's copyright, patent, trademark, service mark, logotype, license or other proprietary right. Seller owns or possesses adequate licenses or other rights to use all copyrights, patents, and other intangible rights used to operate the Stations.

2.15 Bulk Sales. Neither the sale and transfer of the Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after the Closing because of such sale and transfer, will be subject to: (a) any law pertaining to bulk sales or transfers or to the effectiveness of bulk sales or transfers as against creditors of Seller; or (b) the imposition of any liability on Buyer for appraisal rights or other liability owing to Seller.

2.16 Brokers. There is no broker or finder or other Person who would have any valid claim through Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller.

2.17 Employees. Buyer is not hereby under any obligation to hire any employees of Seller in connection with the transactions contemplated by this Agreement (the "Stations' Employees"). Seller represents and warrants that with respect to the Stations' Employees, there are no collective bargaining agreements or written or oral agreements relating to the terms and conditions of employment or termination of employment covering such employees. All of the Stations' Employees are employees-at-will. Seller is not engaged in any unfair labor practice or other unlawful employment practice and there are no unfair labor practice charges or other employee-related complaints, grievances or arbitrations against the Seller with respect to the Stations' Employees pending or, to Seller's Knowledge, threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, any arbitration tribunal, or any other federal, state, local or other governmental authority. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No union representation question is pending or threatened with respect to any of the Stations' Employees.

2.18 Disclosure. No provision of this Agreement relating to Seller, the Stations or the Assets, nor any other document, Schedule, Exhibit or other information furnished by Seller to Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not misleading. All Schedules attached hereto are accurate and complete as of the date hereof or the date specified on the Schedule.

ARTICLE 3  
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 3). The term “Knowledge,” when applied to Buyer herein, means actual knowledge of the officers of Buyer having responsibility for or holding a position that reasonably could be expected to involve substantial knowledge about the subject matter to which such knowledge relates.

3.1 Qualification as a Broadcast Licensee. Buyer is financially qualified and, to Buyer’s Knowledge, is legally, qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Assets from Seller. There is no fact or condition known to Buyer that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Stations or constitute grounds for the filing of a petition to deny or objection related to the qualifications of Buyer or that would reasonably be expected to result in a delay of the FCC Order. To Buyer’s Knowledge, no waiver of any FCC rule, regulation or policy existing as of the date of this Agreement will be required, with respect to Buyer, to obtain the FCC Order.

3.2 Status.

(a) Buyer. Buyer is a corporation duly organized, in good standing and validly existing under the laws of the State of Delaware. Buyer is (or will be at the Closing) duly authorized to transact business in the State of Iowa. Buyer has the requisite power to carry on its business as it is now being conducted and to enter into and complete the transactions contemplated by this Agreement.

(b) Approvals and Consents. There are no approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by Buyer in connection with the consummation of the transactions contemplated by this Agreement, other than the FCC Order.

3.3 No Defaults. Neither the execution, delivery and performance by Buyer of this Agreement nor the consummation by Buyer of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Certificate of Incorporation or Bylaws of Buyer, (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any contract, mortgage, indenture, agreement, lease or other instrument to which Buyer is a party or by which it is bound or the assets of it are bound, or by which it may be affected, or result in the creation of any Security

Interest on any of the assets of Buyer, or (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Buyer or the assets of Buyer.

3.4 Litigation. There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending or, to Buyer's Knowledge, threatened against Buyer affecting Buyer's qualification to hold an FCC license or its ability to purchase and acquire the Assets nor, to Buyer's Knowledge, is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation. Buyer has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality which would have an adverse effect on Buyer's ability to enter into this Agreement or consummate the transactions contemplated hereby.

3.5 Authority. All actions and proceedings necessary to be taken by or on the part of Buyer in connection with the performance, execution and delivery of this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with and subject to its terms.

3.6 Brokers. There is no broker or finder or other Person who would have any valid claim through Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Buyer.

3.7 Full Disclosure. No provision of this Agreement relating to Buyer or any other document, or other information furnished by Buyer to Seller in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not misleading.

#### ARTICLE 4 COVENANTS OF SELLER PENDING THE CLOSING

Seller covenants and agrees that, from the date hereof until the completion of the Closing, except as otherwise contemplated under the terms and conditions of the TBA:

4.1 Operations of the Stations. Seller shall operate the Stations in compliance with the terms of the Authorizations and all applicable laws, rules and regulations, including, without limitation, FCC rules and regulations in all material respects.

4.2 Access to Files and Records. At the reasonable request of Buyer and on reasonable advance notice, Seller shall from time to time promptly give or cause to be given to the employees, accountants, counsel, agents, consultants and representatives of Buyer full access during normal business hours to: (i) records and files of every character relating to the Stations; and (ii) all such other information concerning the Stations and the Assets as Buyer may reasonably request.

4.3 Changes to Representations and Warranties. Seller shall give detailed written notice to Buyer promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller on or before the date of this Agreement, of any of Seller's representations or warranties contained in this Agreement or in any Schedule attached hereto. Any such notice to Buyer, similar informal notice by Seller to Buyer, or independent investigation, examination, or other source of knowledge by Buyer regarding a breach of Seller's representations and warranties shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement, the Exhibits, Schedules and documents delivered pursuant to this Agreement.

4.4 Notice of Proceedings. Seller will promptly notify Buyer in writing on: (a) receiving notice of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

4.5 Consummation of Agreement. Subject to the provisions of Section 10.1 of this Agreement, Seller shall use its best efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and use its best efforts to cause the transactions contemplated by this Agreement to be fully carried out.

4.6 Application for FCC Consent. As promptly as practicable after the date of this Agreement, and in no event later than five (5) business days after the full execution of this Agreement, Seller shall file an application with the FCC requesting the FCC's written consent to the assignment of the Authorizations to Buyer. Seller shall use its best efforts, to take all steps that are proper, necessary or desirable to expedite the preparation of such application and its prosecution to a favorable conclusion. Seller shall promptly provide Buyer with a copy of any pleading, order or other document served Seller relating to such application. Seller shall furnish all information required of it by the FCC. If Closing occurs hereunder after the FCC Order has

been granted, but prior to the FCC Order becoming Final, then Seller's obligations under this Section shall survive the Closing until the FCC Order becomes Final. Buyer shall pay all fees, costs and expenses in connection with such application to the FCC.

4.7 Environmental Study. Seller will allow Buyer, at Buyer's own expense, to conduct any and all investigations, examinations and studies for the Real Property as Buyer deems necessary including, but not limited to, an environmental study.

4.8 Updated Title Abstracts. Seller will provide access to Buyer to Seller's abstracts of title to the Real Property to allow Buyer, at Buyer's expense, to update such abstracts (the "Updated Title Abstracts").

4.9 Publicity. Seller shall not issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement unless Buyer shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by Buyer.

4.10 Exclusivity. Seller will not (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person to purchase any portion of the Assets (including any acquisition structured as a merger, consolidation, or exchange), or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. Seller will notify Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

4.11 Confidentiality. Any and all information, disclosures, knowledge or facts regarding Buyer and its operations derived from or resulting from Seller's acts or conduct (including, without limitation, acts or conduct of Seller's managers, partners, officers, employees, accountants, counsel, agents, consultants or representatives, or any of them (collectively, "Representatives")) under the provisions of this Section or otherwise obtained by Seller (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to Seller's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement. Seller shall be responsible for any breach of confidentiality by any such Person.

## ARTICLE 5

### COVENANTS OF BUYER PENDING THE CLOSING

Buyer covenants and agrees that, from the date hereof until the completion of the Closing, except as otherwise contemplated under the terms and conditions of the TBA:



5.1 Representations and Warranties. Buyer shall give detailed written notice to Seller promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Buyer on or before the date of this Agreement, of any of Buyer's representations or warranties contained in this Agreement or in any Schedule attached hereto. Any such notice to Seller, similar informal notice by Buyer to Seller, or independent investigation, examination, or other source of knowledge by Seller regarding a breach of Buyer's representations and warranties shall not in any way diminish or obviate any representations or warranties of Buyer made in this Agreement, the Exhibits, Schedules and documents delivered pursuant to this Agreement.

5.2 Notice of Proceedings. Buyer will promptly notify Seller in writing on: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated

5.3 Consummation of Agreement. Subject to the provisions of Section 10.1 of this Agreement, Buyer shall fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the transactions contemplated by this Agreement to be fully carried out.

5.4 Application for FCC Consent. Buyer shall cooperate with Seller in the timely preparation and filing of the application requesting the FCC's written consent to the assignment of the Authorizations to Buyer as provided in Section 4.6 and take all such steps that are proper, necessary or desirable to expedite the prosecution of such application to a favorable conclusion. If Closing hereunder occurs after the FCC Order have been granted, but prior to the FCC Order becoming Final, then Buyer's obligations under this Section shall survive the Closing until the FCC Order become Final. Buyer shall pay all fees, costs and expenses in connection with such application to the FCC.

5.5 Publicity. Buyer shall not issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement unless Seller shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by Seller.

5.6 Confidentiality Any and all information, disclosures, knowledge or facts regarding Seller and the Assets derived from or resulting from Buyer's acts or conduct (including, without limitation, acts or conduct of Buyer's Representatives) under the provisions of this Section or otherwise obtained by Buyer (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or

communicated to any other Person, except as required by law and to Buyer's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement. Buyer shall be responsible for any breach of confidentiality by any such Person.

## ARTICLE 6 CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

### 6.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of Buyer contained in this Agreement shall have been true and correct as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

(b) Buyer Compliance. Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date;

(c) Certificate of Buyer. Buyer shall have furnished Seller with a certificate, dated the Closing Date and duly executed by an officer of Buyer to the effect that the conditions set forth in Sections 6.1 (a) and (b) have been satisfied; and

(d) Other Documents. Seller shall be furnished with such certificates, documents or instruments with respect to Buyer as Seller may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

### 6.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. In the event such a restraining order or injunction is in effect, this Agreement may not be terminated by Seller pursuant to this Section 6.2 before the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

6.3 Deliveries. Buyer shall have complied with each and every one of its obligations set forth in Section 8.2.

6.4 Authorizations. The FCC Order shall have been granted.

## ARTICLE 7

### CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

#### 7.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of Seller contained in this Agreement shall have been true and correct as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

(b) Seller's Performance. Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date;

(c) Seller's Certificates. Seller shall have furnished Buyer with certificates, dated the Closing Date and duly executed by an officer of Seller, to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied;

(d) Other Documents. Buyer shall be furnished with such certificates, documents or instruments with respect to Seller as Buyer may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

#### 7.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. If such a restraining order or injunction is in effect, then this Agreement may not be terminated by Buyer pursuant to this Section before the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

7.3 Liens Released. All Security Interests pertaining to the Assets shall be released of record and there shall be no liens in respect of the Assets, except Permitted Encumbrances.

7.4 Environmental Surveys/Updated Title Abstracts. Buyer shall have received the results of any environmental studies of the Real Property that Buyer may elect to perform under the provisions of Section 4.7 above, and such results are satisfactory to Buyer in its sole discretion. Buyer shall have received the Updated Title Abstracts as provided in Section 4.8 above, reflecting that Seller is the record title owner of the Real Property and that the Real Property is free from all encumbrances other than Permitted Encumbrances.

7.5 Deliveries. Seller shall have complied with each and every one of its obligations set forth in Section 8.1.

7.6 Authorizations. The FCC Order shall be effective and shall have become Final (unless Finality is waived by Buyer). Buyer shall have received a waiver from the FCC of the main studio rules set forth in 47 C.F.R. Section 73.1125.

7.7 No Material Change in Assets. There shall not have been any material physical damage or loss to any of the Assets. Buyer shall maintain the right up to the Closing, to inspect the Tangible Personal Property to ensure that all items are in compliance with the representations and warranties contained in Section 2.10(c) of this Agreement to Buyer's reasonable satisfaction. If Buyer determines that any item of Tangible Personal Property is not in such compliance, Buyer shall notify Seller in writing immediately, and the non-compliant item(s) shall be: (a) completely repaired, replaced or restored to the reasonable satisfaction of Buyer by Seller, at Seller's expense, within 10 days of Buyer's notice of non-compliance; or (b) if Seller is unwilling or unable to repair, replace or restore the item(s) within the specified period, the estimated cost of such repair, replacement or restoration shall be deducted from the Purchase Price.

## ARTICLE 8 ITEMS TO BE DELIVERED AT THE CLOSING

8.1 Deliveries by Seller At the Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) Bills of Sale, Assignments, Etc. Bills of sale, certificates of title, warranty deeds, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance satisfactory to Buyer, sufficient to sell, convey, transfer and assign to Buyer all right, title and interest of Seller in and to the Assets and to quiet Buyer's title thereto;

(b) Board Resolutions. Certified copies of resolutions, duly adopted by the Managing Board of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby;

(c) Officer's Certificate. The certificate referred to in Section 7.1(c); and

(d) Certificate of Good Standing. A certificate from the Secretary of State of the State of Iowa, certifying that Seller is in good standing under the laws of Iowa.

8.2 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) Purchase Price. The Purchase Price, which shall be paid in the manner specified in Section 1.4;

(b) Officer's Certificate. The certificate referred to in Section 6.1(c); and

(c) Certificate of Good Standing. A certificate from the Secretary of State of the State of Delaware, certifying that Buyer is in good standing under the laws of Delaware; and a certificate from the appropriate Iowa agencies attesting to Buyer's authority to do business in Iowa.

## ARTICLE 9 SURVIVAL; INDEMNIFICATION

9.1 Survival. All representations and warranties contained in this Agreement, or in any Exhibit, Schedule, certificate, agreement or statement delivered pursuant hereto, shall survive for two (2) years after the Closing Date, *provided, however*, that representations and warranties contained herein, or in any Exhibit, Schedule, certificate, agreement or statement delivered pursuant hereto, with respect to income taxes, personal property taxes, real estate taxes, FCC Debt, environmental matters, employee matters and health and safety matters shall survive until three (3) months after the expiration of the limitations period under the respective applicable law, whereupon all such representations, warranties, and indemnities with respect thereto, shall expire and terminate and shall be of no further force or effect. One party's knowledge of a false representation or a breach of warranty on the part of the other at the time of Closing shall not be deemed to constitute a waiver of such representation or warranty. If a Deficiency is asserted by either party, before the expiration of the survival or limitations period, such asserted Deficiency shall survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided below.

### 9.2 Basic Provision.

(a) Buyer Indemnitees. Seller (an "Indemnifying Party") hereby agrees to indemnify and hold harmless Buyer, its officers, managers and members (collectively, the "Buyer Indemnitees") from, against and in respect of, and to reimburse the Buyer Indemnitees for the amount of any and all Deficiencies.

(b) Seller Indemnitees. Buyer (an "Indemnifying Party"), hereby agrees to indemnify and hold harmless Seller and its officers, directors, and shareholders (collectively, the

“Seller Indemnitees”) from, against and in respect of, and to reimburse Seller Indemnitees for the amount of any and all Deficiencies.

### 9.3 Definition of “Deficiencies”.

(a) Deficiencies for Buyer. As used in this Article 9, the term “Deficiencies” when asserted by the Buyer Indemnitees or arising out of a third party claim against the Buyer Indemnitees shall mean any and all losses, fines, damages, liabilities and claims sustained by the Buyer Indemnitees and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation, breach of warranty or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of Seller contained in or made in this Agreement or in an Exhibit, Schedule, certificate, agreement or statement delivered pursuant to this Agreement;

(ii) Any failure by Seller to pay or discharge any Excluded Liability or any other liability of Seller and the Seller Indemnitees, direct or contingent, that is not expressly assumed by Buyer pursuant to the provisions of this Agreement;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the businesses or operations of Seller, the Assets or the Stations before the Effective Time;

(iv) Any payment required to be paid by Seller with respect to any employee or consultant of Seller;

(v) Except for obligations or liabilities expressly assumed by Buyer herein, Seller’s operation of the Stations or the ownership of the Assets before the Effective Time (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by Seller under any lease, contract, or agreement or under this Agreement before the Effective Time);

(vi) Any and all acts, suits, proceedings, demands, assessments and judgments and all reasonable fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all reasonable fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any Person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim (“Legal Expenses”)); or

(vii) Any hazardous or toxic substance in, or under the Real Property that existed on or prior to the Closing Date.

(b) Deficiencies for Seller. As used in this Article 9, the term “Deficiencies” when asserted by the Seller Indemnitees or arising out of a third party claim against the Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Seller Indemnitees and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation, breach of warranty or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of Buyer contained in or made in this Agreement or in an Exhibit, Schedule, certificate, statement or agreement delivered pursuant to this Agreement;

(ii) Any failure by Buyer to pay or discharge any other liability arising after the Closing Date for any Assumed Liability;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of Buyer, the Assets or the Stations after the Closing Date;

(iv) Buyer’s operation of the Stations or the ownership of the Assets after the Closing Date (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by Buyer under any lease, contract, or agreement or under this Agreement after the Closing Date; or

(v) Any and all acts, suits, proceedings, demands, assessments and judgments and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all reasonable Legal Expenses).

#### 9.4 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. In the event that any claim shall be asserted by any third party against the Buyer Indemnitees or the Seller Indemnitees (the Buyer Indemnitees or the Seller Indemnitees, as the case may be, hereinafter, the “Indemnitees”), which, if sustained, would result in a Deficiency, then the Indemnitees, promptly and in all events within fifteen (15) business days after learning of such claim, shall notify the Indemnifying Party of such claim and Indemnitees shall permit the Indemnifying Party to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection and at their expense. The parties will cooperate fully in any such action and shall make available to each other any books or records useful for the defense of such claim. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (a) before such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise

and all associated expenses and (b) the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses or the Indemnifying Party obtains a release of the Indemnitees from all liability in respect of such claim.

(b) Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party within a period of thirty (30) days after the giving of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "Contest Notice"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within such 30-day period, then the contested assertion of a Deficiency shall be resolved through binding arbitration pursuant to Section 10.9.

(c) Agreement. The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency, and, on the execution of such agreement such Deficiency shall be deemed established.

9.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within thirty (30) days after the establishment thereof ("Due Date"). The amount of established Deficiencies shall be paid in cash. Any amounts not paid by the Indemnifying Party when due under this Section shall bear interest from and after the Due Date thereof until the date paid at a rate equal to the lesser of: (a) 12% per annum and (b) the highest legal rate permitted by applicable law. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation any of the Indemnitees may have to the Indemnitees arising out of a Deficiency established pursuant to Section 9.4.

9.6 Continuing Existence of Seller. For a period of three (3) years following the Closing Date, Seller (or its successor entity or entities) shall use its best efforts to maintain its existence and financial viability to satisfy Deficiencies in order to further support Seller's indemnification obligations hereunder or, Seller may dissolve, if Seller shall distribute its net assets to its sole member, subject to the above three-year obligation to satisfy Deficiencies, but only to the extent of such distributed net assets.

## ARTICLE 10 MISCELLANEOUS

10.1 Termination of Agreement. This Agreement may be terminated at any time on or before the Closing Date: (a) by the mutual consent of Seller and Buyer; (b) by Buyer



as provided in Sections 10.6 and 10.7 below; (c) by either party hereto if the Closing has not taken place within twelve (12) months after the date on which the FCC Application is accepted for filing (the "Final Closing Date"); (d) by Buyer on or after the Closing Date if Seller has not satisfied the conditions set forth in Article 7 and Buyer has satisfied or is prepared and able (but for Seller's defaults) to satisfy the conditions of Article 6; and (e) by Seller on or after Closing Date if Buyer has not satisfied the conditions set forth in Article 6 and Seller has satisfied or is prepared and able (but for Buyer's defaults) to satisfy the conditions of Article 7. A termination pursuant to this Section 10.1 shall not relieve any party of any liability it would otherwise have for a willful breach of this Agreement. If this Agreement is terminated rightfully pursuant to this Article 10, all further obligations of the parties hereunder shall terminate. If this Agreement is terminated pursuant to Section 10.1(e) above and Seller is not in material default of its obligations hereunder, the Deposit shall be paid by Buyer to Seller as liquidated damages and as the exclusive remedy of Seller against Buyer hereunder. Seller acknowledges that its damages in the event of termination of this Agreement under the provisions of Section 10.1(e) above would be difficult to determine and that the Deposit is a reasonable and satisfactory substitution for the amount such damages. Notwithstanding anything in this Agreement to the contrary, neither Seller nor Buyer shall be deemed to have breached any representation, warranty, covenant or other agreement contained herein, or to have failed to have satisfied any condition precedent to the other party's obligation to perform under this Agreement, in each case to the extent that the inaccuracy of any representation, or the breach of any warranty, covenant or agreement, or the inability to satisfy any condition is caused by: (i) any action or omission of the other party under the TBA, or (ii) the failure of the other party to perform any of its obligations under the TBA, as required under the TBA.

10.2 Specific Performance. The parties acknowledge that the operation of the Stations is of a special, unique and extraordinary character. Upon a material breach by Seller of its representations, warranties, covenants and agreements under this Agreement, Buyer shall be entitled to an injunction restraining any such breach or threatened breach or to enforcement of this Agreement by a decree or decrees of specific performance requiring Seller to fulfill its obligations under this Agreement; provided, however, Buyer shall not be entitled to specific performance if it is in material breach of its representations, warranties, covenants and agreements under this Agreement.

10.3 Closing Expenses. Buyer shall bear all closing expenses, including, without limitation sales or transfer taxes, if any, arising from the transfer of the Assets to Buyer.

10.4 Remedies Cumulative. Except with respect to payment of the Deposit to Seller as liquidated damages under Section 10.1 above, the remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

10.5 Further Assurances. From time to time before, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party, being advised by counsel, shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

10.6 Risk of Loss. The risk of loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by Seller at all times before the Effective Time, subject, however, to Buyer's obligations under the TBA. On any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. It is expressly understood and agreed that, in the event of any loss or damage to any of the Assets from fire, casualty or other causes before the Closing, Seller shall notify Buyer of same in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable) and the insurance coverage. If the damaged property is not completely repaired, replaced or restored on or before the Closing Date, Buyer at its sole option: (a) may elect to postpone Closing until such time as the property has been completely repaired, replaced or restored to the reasonable satisfaction of Buyer if the repair, replacement or restoration can be accomplished within one (1) month following the date of the loss or damage or the Closing Date, whichever is the earlier, and (b) may elect to consummate the Closing and accept the property in its then condition, in which event Seller shall pay to Buyer all unused proceeds of insurance and assign to Buyer the right to any unpaid proceeds; or (c) terminate this Agreement without liability to any party.

10.7 Broadcast Transmission Interruption. If, on the Closing Date, either of the Stations broadcast operations have been interrupted, Buyer shall have the right by giving written notice to Seller, to postpone (and if necessary re-postpone) the Closing to a date that is fifteen (15) business days after the Station is restored to authorized operation. If the authorized operation of the affected Station cannot be reestablished within thirty (30) days, then Buyer shall have the right, by giving written notice to Seller, to terminate this Agreement without liability to Seller or Buyer, or continue to postpone the Closing as provided above.

10.8 Post-Closing Format Covenant. Buyer covenants that the Stations shall remain primarily in a Christian programming format for no less than five (5) years after the Closing Date.

10.9 Arbitration; Choice of Jurisdiction. If a controversy should arise in the performance, interpretation or application of this Agreement, either party may serve upon the other a written notice stating that such party desires to have the controversy reviewed by an arbitrator. Any arbitrator selected shall be independent and disinterested of Seller and Buyer and shall be familiar with and have direct experience in the radio broadcast industry. Such arbitrator need not be a professional arbitrator and persons such as lawyers shall be acceptable. If the parties cannot agree within fifteen (15) business days from the service of such notice upon the selection of such arbitrator, an arbitrator shall be selected or designated by the American Arbitration Association. Before undertaking to resolve a dispute, such arbitrator shall be duly sworn faithfully and fairly to hear and examine the matters in controversy and to make a just award according to the best of his or her understanding. Arbitration of such controversy, disagreement or dispute shall be conducted in accordance with the Commercial Arbitration Rules then in force of the American Arbitration Association and the decision and award of the arbitrator so selected shall be binding upon the parties. The arbitration will be held in Lincoln, Nebraska. The cost of any such arbitration shall be shared equally by the parties, *provided* that the arbitrator shall be authorized to enter as part of the award to any party an amount equal to such party's attorney's fees and other costs related to the arbitration. Except as provided by the arbitrator, each party shall pay its own costs incurred as a result of its participation in any such arbitration. The provisions of this paragraph shall not affect any party's right to terminate this Agreement. Except as specifically provided in this paragraph, any arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages, and may not make any ruling, finding or award that does not conform to the terms of this Agreement. Any controversy or claim arising out of or related to this Agreement which the parties are unable to resolve and which is not requested to be arbitrated as set forth above shall be submitted to courts with jurisdiction located in Iowa, which shall be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both parties submit.

10.10 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Seller may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Buyer. Upon prior written notice to Seller, Buyer may freely assign some or all of its rights and obligations hereunder to any Affiliate, and Buyer may pledge its rights hereunder to its lenders as collateral. "Affiliate" means any Person that owns or controls, is owned or controlled by, or under common control with Buyer.

10.11 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any

party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

10.12 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, addressed as set forth below:

(a) If to Seller, then to:

Midwest Bible Radio, LLC  
6400 Cornhusker Highway  
Lincoln, Nebraska 68507  
Attention: Bryon Swanson, Vice President

with a copy, given in the manner prescribed above, to:

Morris & Titus Law Firm, P.C., L.L.O  
4645 Normal Boulevard, Suite 272  
Lincoln, NE 68506  
Attention: Jim R. Titus, Esq.

(b) If to Buyer then to:

Community Broadcasting, Inc.  
10550 Barkley, Suite 108  
Overland Park, KS 66212  
Attn.: Richard P. Bott, II, Vice President

with a copy, given in the manner prescribed above, to:

Fletcher Heald & Hildreth, PLC  
1300 N. 17<sup>th</sup> Street, Suite 1100  
Arlington, VA 22209  
Attn: Harry C. Martin, Esq.

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

10.13 Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

10.14 Governing Law. THIS AGREEMENT AND ALL QUESTIONS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF IOWA, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS THAT MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

10.15 Entire Agreement. This Agreement, the TBA, and the Schedules hereto and thereto and the other documents delivered hereunder constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

10.16 Execution: Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.

10.17 Gender and Tense. Where appropriate to the context, pronouns of other terms expressed in one number or gender will be deemed to include all other numbers or genders. The use of a word in one tense will include the other tenses, where appropriate to the context.

10.18 Third-Party Beneficiaries. This Agreement is intended to benefit only the parties to this Agreement, their successors and permitted assigns. No other Person is an intended or incidental beneficiary of this Agreement.

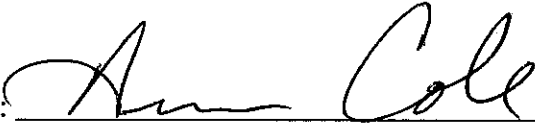
10.19 No Party Deemed Drafter. The parties acknowledge that they have been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would require interpretation of any claim ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. Provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties.

**[SIGNATURES ON NEXT PAGE]**

**IN WITNESS WHEREOF**, the parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

**SELLER:**

**MIDWEST BIBLE RADIO, LLC**

By: 

Name: Arnie Cole

Title: President

**BUYER:**

**COMMUNITY BROADCASTING, INC.**

By: \_\_\_\_\_  
Richard P. Bott, II  
Vice President

IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

**SELLER:**

**MIDWEST BIBLE RADIO, LLC**

By: \_\_\_\_\_

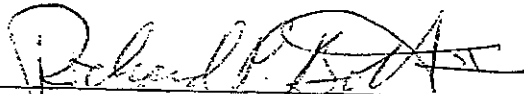
Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BUYER:**

**COMMUNITY BROADCASTING, INC.**

By: \_\_\_\_\_



Richard P. Bott, II  
Vice President

## LIST OF SCHEDULES AND EXHIBITS

### Schedules

1.1(a)	Tangible Personal Property
1.1(b)	Real Property
1.1(c)	Authorizations
1.1(d)	Lease Agreements
1.1(e)	Intangible Property
1.2(f)	Other Excluded Property
1.4(c)	Allocation of Purchase Price



### Schedule 1.1(a) – Tangible Personal Property

KTFC, 103.3 MHz, Sioux City, Iowa (FCC Facility ID No. 17199)

ID	Quantity	Item
		500' tower, American Tower Company, 2002
		12 bay ERI broadcast antenna, 2006
		500 feet (approx.) of 3" flex transmission line, 2003
		Harris FM20K transmitter, 1978
		Above-ground storage tank for propane (used for winter heating)
55	3	"Milkhouse" heaters, 1 small, 2 larger
41	1	320 Gig external drive
95	1	3M AMSII Cart machine
14	1	5-Channel Shure mixer
84	1	6-foot aluminum ladder
74	1	Air compressor
78	4	American flags
54	1	APC UPS Backup power supply
130	1	Aquamarine kitchen table with 2 chairs
101		Assorted archival cassettes and programs
69		Assorted cables, electrical parts, wires, etc.
144		Assorted furniture (couches, etc. in round bldg.)
136		Assorted record albums, cassette tapes, CDs, and video tapes
82		Assorted tools
5	1	ATI DA2016 Distribution Amplifier
50	1	Atomix Radio-controlled clock
132	1	Attractive goldenrod-colored chair/table unit
52	2	Battery-operated analog clock
56	1	Belkin UPS Backup power supply
28	1	Bogen MXM-A low filter
60	1	Box fan, huge
59	2	Box fan, medium-sized
8	2	Broadcast Tools SS 4.1 switcher/router
47	1	Brother MFC-8840D Multi-Function machine
111	2	Cabinets with various small electronic parts
29	1	Channel Masters Satellite Receiver
133	1	Coat rack
80	1	Conference table with 14 chairs
98	1	Craftsman 2-cycle Weed Whacker
100	1	Craftsman 42" Riding lawnmower
21	1	Crown CD player
7	1	DBX 1046 Compressor/Limiter
46	1	Dell Dimension 4550 2.4 Gig Computer with Dell monitor

ID	Quantity	Item
57	1	Dish PP301 Satellite TV receiver
1	1	Dream Computer + Dell Monitor (Dream Comp. Co, Fremont, CA)
120	1	Echostar SRD-4000 Satellite receiver
142	1	Electric stove/oven in round bldg. apartment
32	1	Electrobrand 8-track Player/receiver
73	1	Emerson PD65488L mini boombox
117	1	Emerson PSN4010 portable radio
119	1	ERI Low Power FM antenna (needs reconditioning)
143	3	Folding tables, with folding chairs
33	1	Fortinet Fortigate 50A Firewall
128	1	Framed Queen-sized bed
53	1	GE 136P301 Television
45	2	GE 3-5015D Cassette deck
38	1	GE Portable Radio
121	1	Hand push lawnmower
86	1	Hand truck
66	2	Harmon Kardon TD 262 Cassette deck
34	3	Harmon Kardon TD102 Cassette deck
9	1	Harmon Kardon TD212 Cassette deck
18	1	Harmon Kardon TD4200 Cassette deck
31	2	Harris control boards (for parts)
10	6	Heil microphones
11	6	Heil shock mounts
137	3	Henry Engineering Matchbox units
40	1	HP Laserjet 1012 printer
62	1	HP Vectra VL 420 MT computer with compaq monitor and speakers
13	2	IBM PC, 1 with Dell monitor, 1 with IBM monitor
42	1	iomega 250 Gig external drive
96	1	ITC PD-II Cart machine
19	1	ITC Reel to Reel tape recorder
12	4	LPB Silent Mic Boom
112	1	Magnacord electronics unit
58	1	Mail scale
92	1	Marantz CDR615 CD player
2	1	Marantz PMD Cassette deck (in service)
25	1	Marti SCG-10 Subcarrier Generator
26	1	McMartin EBS-2
115	1	Microwave oven
145		Misc. office supplies
23	1	Mitsubishi DT-160 cassette deck
122	1	MTI 2800 Antenna positioner
75	1	NEC A700 Monitor

ID	Quantity	Item
71	1	Netgear RangeMax 240 WPNT834 Router
135	10	Office chairs
127	4	Office desks
91	1	Optimus CD-1750 CD player
103	1	Optimus SCT-86 Cassette deck
134	1	Orange table with golf-green indoor/outdoor carpet-covered top
140	1	Orban Optimod model 2200 E/V serial # 506234-007H
36	5	Panasonic Slimline RQ2102 Cassette player
146	1	Panasonic TV CT-9012, serial # AM3026
17	1	Pioneer CT W404R Cassette Deck
102	1	Pioneer CTM6R Cassette deck
35	1	Pioneer CT-W404R Cassette deck
97	1	Pioneer PD-F25 25 CD player
77	2	Polaroid cameras
70	1	Rack mount UPS
90	5	Radio Shack mixer
72	1	RCA RCD158A Boombox
30	1	Realistic 31-1989 7-band equalizer
16	1	Realistic CD-1700 CD player
87	1	Realistic MPA-20 PA amplifier
48	1	Realistic STA 130 Reciever
65	1	Realistic STA-19 receiver
39	1	Realistic STA-700 receiver
114	1	Refrigerator (in kitchen of control bldg.)
	1	Refrigerator (in top floor apartment of round bldg.)
113	1	Regent Security light (in box)
61	1	Remote-control stand fan
129	1	Roll-away bed
79	1	Samsung 25 dehumidifier
118	1	Samsung color TV
106	2	Sansui DX119W Cassette deck
104	1	Sanyo RD7 Cassette deck
105	1	Sanyo RDS28 Cassette deck
6	1	Sanyo TX811 Receiver
123	2	Satellite dish 10'
125	1	Semi-furnished apartment with kitchenette
51	1	Silicon Scientific Digital clock/remoter thermometer
124	2	small satellite TV dish
85	1	Small wet-vac
3	1	Sony CDP-291 CD Player (in service)
139	1	Sony ECM-MS908C Stereo/video microphone
81	1	Sony Radio alarm clock

ID	Quantity	Item
110	2	Sony TCWE305 Cassette deck
15	7	Sony TC-WE305 Cassette Deck
49	1	SW Bell Freedom Phone with 2 handsets
44	1	Sylvania DVC841G VCR/DVD player/recorder
94	1	Symetrix 501 Compressor/limiter
63	4	Symetrix SX 208 Compressor/Limiter
89	1	Symetrix A220 Stereo Amplifier
147	5	Tall filing cabinets
67	1	Tascam M108 5-channel stereo control board
107	1	TEAC PD-D2400 Multi CD Player
109	1	TEAC V305 R Cassette deck
108	1	TEAC V375 Cassette deck
43	1	TEAC V-375 Cassette Deck
37	1	Technics RS-TR155 cassette deck
4	1	Technics SL-PG100 CD player (in service)
88	1	Telex cassette tape duplicator
116	1	Toaster
99	1	Toro CR1000E Snow blower
76	2	Tozai ATC 720 alarm clock
83	2	Trouble light
20	5	Turntables
131	1	Van bench seat
68		Various speakers
24		Various telephones
93	1	Versacount model V17 FM translator
138	1	Walkman HI-MD MZ-NHF800 Mini Disk player/recorder
64	1	White-Westinghouse mini stereo system
126	2	Window air unit
22	2	Wood burning stoves
27	4	Zephyrus receivers

- ☐ Two Harris MX15, 10 Watt Exciters, 1978(?)
- ☐ Optimod 8000A processor, 1980(?)
- ☐ Gentner 2000 remote control, 1990(?)
- ☐ Belar Modulation Monitor
  - 200' tower
  - 10 bay antenna with hard line
- ☐ 1 KW FM solid state amplifier (needs repair)
- ☐ Exciter and Optimod for back-up system
- ☐ Audio Vault 2 automation system with HP computer, 2 audio switchers, UPS, Modem installed, February 2005
- ☐ Two Unity 4000 satellite receivers, approx. 2000 & 2005

- ☐ Large, solid, professional satellite antenna (C band), 1990(?)
- ☐ Sage EAS Endec with receivers, 1997
- ☐ Two 360 Systems, Instant Replay audio recorders, 1996 & 2002
- ☐ One Techniques DAT audio recorder, 1994(?)
- ☐ Two Gates mixing consoles, 1970(?)
- ☐ Gentner Phone hybrid
- ☐ Other miscellaneous items

KTFG, 102.9 MHz, Sioux Rapids, Iowa (FCC Facility ID No. 17200)

- 500' tower, installed used in 1980s
- 10 bay transmit antenna, 1980s
- Hard transmission line, old
- Rust FM10KW transmitter, 1970(?)
- Optimod 8000A processor
- ☐ Above-ground storage tank for propane (used for winter heating)
- ☐ Miscellaneous items
- Harris HT-25 FM Transmitter tuned to 103.7 MHz (formerly in service at WKNE 103.7 FM, Keene, NH)
  - Power supply (strapped for 208 volts Wye power)
  - Harmonic Filter
  - THE-1 exciter
  - Spare final (used)
  - New rectifier stacks
  - 3" coax patch panel
  - Nitrogen tank regulator
  - 208 V surge protector
  - Technical manual and large schematic

KTFG has been granted special temporary authorization by the FCC to operate at 30% of licensed power pending repair or replacement of the transmitter, transmission line, antenna and tower. Seller is not required to make such repairs or replacements.

Due to the age of the buildings associated with KTFC and KTFG, and practices common to construction at the time, there may be materials containing asbestos or lead-based paint. The parties agree that no abatement shall be required of Seller.

The tangible personal property and the real estate improvements, including towers and buildings, associated with KTFC and KTFG are being sold "As Is" condition as of the date of signing of the Agreement.

### **Schedule 1.1(b) – Real Property**

KTFC, 103.3 MHz, Sioux City, Iowa (FCC Facility ID No. 17199)

Two Parcels of land located in the Southeast Quarter (SE ¼) of the Northwest Quarter (NW ¼) of Section 32, Township 89, Range 46 West of the 5<sup>th</sup> P.M., subject to all easements of record, Woodbury County, Iowa (more completely described in the Quitclaim Deed, dated August 25, 2005, from Donald A. Swanson, individually, and Donald A. Swanson, as attorney-in-fact for Margaret G. Swanson, to Midwest Bible Radio, LLC).

KTFG, 102.9 MHz, Sioux Rapids, Iowa (FCC Facility ID No. 17200)

A part of the NW FRL ¼ of the NE FRL ¼ of Section 1, Township 93 North, Range 37 West of the 5<sup>th</sup> P.M., being 7.93 acres and 0.21 acres respectively, subject to all easements of record, Buena Vista County, Iowa (more completely described in the Quitclaim Deed, dated August 25, 2005, from Paradise City to Midwest Bible Radio, LLC).

AND,

All that part of the SW ¼ of the SE ¼ of Section 36, Township 94 North, Range 37 West of the 5<sup>th</sup> P.M. lying south and west of Gulch Road, excepting three tracts, subject to all easements of record, Clay County, Iowa (more completely described in the Quitclaim Deed, dated October 4, 2005, from Donald A. Swanson, individually, and Donald A. Swanson, as attorney-in-fact for Margaret G. Swanson, to Midwest Bible Radio, LLC).

The buildings, control rooms, studios and offices associated with KTFC and KTFG are sold “As Is” condition as of the date of signing of the Agreement.

### **Schedule 1.1(c) – Authorizations**

KTFC, 103.3 MHz, Sioux City, Iowa (FCC Facility ID No. 17199)

- Approximately 500' tower, registration number 1016740

An application is pending with the FCC (and/or FAA) to correct the coordinates of the above-referenced 500' tower.

- Approximately 200' tower, registration number n/a

KTFG, 102.9 MHz, Sioux Rapids, Iowa (FCC Facility ID No. 17200)

- Approximately 500' tower, registration number 1016739

KTFG has been granted special temporary authorization by the FCC to operate at 30% of licensed power pending repair or replacement of the transmitter, transmission line, antenna and tower. Seller is not required to make such repairs or replacements.

The towers are believed to be in compliance with respect to painting, lighting and tower registration requirements of the FAA, but are sold "As Is" condition as of the date of signing of the Agreement.

### **Schedule 1.1(d) – Lease Agreements**

Tower lease contracts are currently in effect with the following tenants:

Located at KTFC

- Nextel Partners, Inc.
- Onaway Wireless, Inc.
- Venture Technologies Group, LLC

Located at KTFG

- Clay County Iowa E911 Communications
- Buena Vista County Iowa 911 Communications
- Webb Wireless



### **Schedule 1.1(e) – Intangible Property**

All rights and ownership in service marks, trade marks or statements previously or currently identified with the radio stations:

“Midwest Bible Radio”

“Keep Talking For Christ”

“Keep Talking For God”

[www.WorldwideBibleRadio.com](http://www.WorldwideBibleRadio.com)

Solid-FM

[www.yoursolidfm.com](http://www.yoursolidfm.com)

### **Schedule 1.2(f) – Other Excluded Property**

Small tangible personal property items (not material to the operation of the radio stations)  
that belong to Donald A. Swanson.

#### **Schedule 1.4 – Allocation of Purchase Price**

[To be determined.]